

FISCAL NOTE

SB 3475 – HB 3363

March 8, 2006

SUMMARY OF BILL: Extends the 25 percent tuition discount at state colleges and universities for children of public school teachers and technology coordinators to any child of any employee of a Tennessee public school.

ESTIMATED FISCAL IMPACT:


Increase State Expenditures - \$3,585,000 FY06-07
\$3,854,000 FY07-08

Assumptions:

- Lost revenues to higher education institutions would be replaced with state funds.
- Approximately 8,135 FTE children of public school system employees (other than teachers) are estimated to take courses.
- Approximately \$410 represents the 25% tuition discount for each FTE student/dependent ($8,135 \times \$410 \times 7\frac{1}{2}\% = \$3,585,000$ FY06-07). FY06-07 costs reflect a $7\frac{1}{2}\%$ tuition increase over FY05-06. Second year costs (FY07-08) are estimated to be \$3,854,000 which includes a tuition increase over the previous year of an average of $7\frac{1}{2}\%$.
- The children of teachers receiving tuition discounts for previous years provide a fair representation of children expected to receive tuition discounts in the future, adjusted for an expected participation rate for children of public school system employees in proportion to current participants.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director